

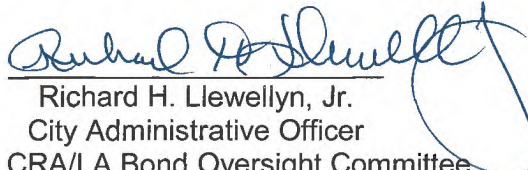
0111-31341-0047

**TRANSMITTAL**

To: Council	DATE 03-16-18	COUNCIL FILE NO. 14-1174-S33
From: CRA/LA Bond Oversight Committee	COUNCIL DISTRICT 14	

At its special meeting on March 15, 2018, the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Oversight Committee approved recommendations in the attached Economic and Workforce Development Department (EWDD) report, which is hereby transmitted to Council for consideration. Adoption of the report's recommendations would authorize the Bureau of Engineering to utilize up to \$100,000 in CRA/LA Excess Non-Housing Bond Proceeds available to Council District 14 within the Adelante Eastside Project Area for the First and Boyle Phase II Environmental Site Assessment Project.

Fiscal Impact Statement: Approval of the recommendations in this report will have no impact on the General Fund. The CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D is funded solely from two transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174).

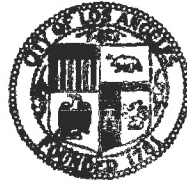
  
Richard H. Llewellyn, Jr.  
City Administrative Officer  
Chair, CRA/LA Bond Oversight Committee

RHL:JVW:SJC:BA 15180074

Attachment

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI  
MAYOR

JAN PERRY  
GENERAL MANAGER

**ECONOMIC AND WORKFORCE  
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET  
LOS ANGELES, CA 90017

March 8, 2018

Council File: 14-1174-S33  
Council District No.: 14  
Contact Persons & Extensions:  
Daysi Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee  
c/o Jacqueline Wagner  
Office of the City Administrative Officer  
Room 1500, City Hall East

**BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST BOND OVERSIGHT COMMITTEE REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$100,000 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS FROM THE ADELANTE EASTSIDE PROJECT AREA (TAXABLE SERIES 2007-C) FOR THE FIRST & BOYLE PHASE II ENVIRONMENTAL SITE ASSESSMENT PROJECT**

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in this transmittal to the Mayor and City Council for their review and consideration.

**RECOMMENDATIONS**

The General Manager, EWDD, requests that the Bond Oversight Committee recommend that the Council, subject to the approval of the Mayor as required:

1. **APPROVE** up to \$100,000 in CRA/LA Excess Non-Housing Bond Proceeds available to Council District 14 from the Adelante Eastside Redevelopment Project Area within the Council District to be utilized for the First & Boyle Phase II Environmental Site Assessment Project (Project);
2. **AUTHORIZE** the Controller, subject to the availability of funds, to give the Bureau of Engineering (BOE) access to the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D to process transactions related to the Project;

3. AUTHORIZE the BOE to be the implementing department, and to expend funds up to \$100,000 from the CRA/LA Excess Non-Housing Bond Proceeds Fund No. 57D, Account 22L9AT, Adelante Eastside, Taxable Series 2007-C, for transactions related to the Project upon proper documentation and demand from the General Manager, EWDD or designee, and pursuant to satisfactory review by the EWDD;
4. AUTHORIZE the BOE to negotiate and execute an agreement and all related documents as required for up to \$100,000 with the selected contractor to effectuate this Project;
5. INSTRUCT the BOE to submit deliverables and report project progress to EWDD prior to disbursement of CRA/LA Excess Non-Housing Bond Proceeds; and
6. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

## SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 14 Motion (Huizar-Harris-Dawson) which was adopted by Council on January 10, 2018 (CF 14-1174-S33).

This Motion seeks to appropriate up to \$100,000 in CRA/LA Excess Non-Housing Bond Proceeds (EBP) available to Council District (CD) 14 from the Adelante Eastside Project Area (Project Area) for the First & Boyle Phase II Environmental Site Assessment Project (Project). Development of the Metro Transit Oriented Development (TOD) site at First & Boyle is identified as a potential project in the Bond Spending Plan for this Project Area. The proposed use of funds is permissible under the Bond Spending Plan (BSP) adopted by City Council on October 29, 2014 (CF 14-1174); and sufficient funds for this purpose are available from CD 14's portion of EBP in this Project Area.

The original taxable and tax-exempt EBP in Adelante Eastside Project Area available to CD 14 was \$6,442,751. However, after the administrative appropriation of 16%, or \$291,824 from taxable EBP, there remained a combined \$6,150,927 in the Adelante Project Area available to CD 14. This Motion's proposed \$100,000 taxable appropriation, along with 2 existing motions approved with taxable appropriations, will leave CD 14 with \$387,073 taxable, and \$693,854 tax-exempt EBP, in the Adelante Eastside Project Area for a total of \$1,080,927.

## BACKGROUND

The Metro TOD site is 1 of 8 future development properties that are under the control of City of Los Angeles pursuant to an executed Option Agreement with the CRA/LA. This 0.25-acre site, located at 110-114 S. Boyle Avenue, Los Angeles, CA 90033, is a single

parcel consisting of approximately 14,600 square feet of vacant, unimproved land within the Adelante Eastside Redevelopment Project Area. The highly visible location is classified as a TOD site for its proximity to the Mariachi Plaza Metro Gold Line Station. As such, a mixed-use development with a housing component is contemplated which necessitates a Phase II Environmental Site Assessment (Phase II ESA) to determine the feasibility of developing the property for this purpose.

The BOE released a Phase II ESA Task Order Solicitation to its pre-qualified geotechnical and environmental consultants on February 21, 2018. The responses were due on March 7, 2018. Upon receipt of Council approval of this proposed EBP appropriation, BOE will proceed with negotiating and executing a contract with the selected contractor to conduct the Phase II ESA.

### **EWDD ANALYSIS**

The BOE will be the lead department overseeing its selected contractor's completion of the Phase II ESA. The purpose of this investigation is to further characterize soil contamination from previous site usage prior to a potential property acquisition by the City. The base scope will require a field and subsurface investigation, laboratory testing, and preparation of an environmental data report as well as a site-specific Health and Safety Plan for the project.

Key components of the Scope of Work are as follows:

Task 1: Environmental Drilling and Laboratory Testing

Task 2: Geophysical Survey

Task 3: Environmental Data Report

Task 4: Health and Safety Plan

Task 5: Investigative Derived Waste

Contingency Tasks including:

A. Environmental Drilling, Well Installation and Analytical Testing

B. Alternative Scope of Services

Project schedule is 6 weeks consisting of:

1. Drilling, Testing and Draft Report Preparation: 4 Weeks

2. BOE Review of draft report: 1 Week

3. Final report with BOE comments: 1 Week

The Phase II ESA will commence as soon as funding is available.

EWDD has consulted with CD 14 staff and BOE regarding the Motion and the anticipated scope of work and timeline. BOE will report quarterly to EWDD and CAO regarding work accomplished and funds expended so that this information will be included in the monthly reports to the BOC.

### **COMMUNITY BENEFITS**

The Phase II ESA will facilitate development of an affordable housing project. The proposed 5-story development will contain 43 affordable housing units, a manager's unit, 40 parking spaces and 8,000 square feet of ground floor retail. There will also be 11 public parking spaces, a public open space roof top deck, and a community room for meetings. The community benefit generated is a mixed-use, transit-oriented, permanent supportive housing development which is committed to local hiring and a Project Labor Agreement for construction.

### **ENVIRONMENTAL REVIEW**

The recommended actions would enable the commission and execution of a Phase II Environmental Site Assessment (Phase II ESA) and associated environmental actions for the First & Boyle project site. The Phase II ESA and associated environmental actions on the site are exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15262 and 15308 of the State CEQA Guidelines.

### **CAO BOND COVENANT REVIEW**

The CAO has completed its review of the original bond documents, and has found that the proposed use of excess bond proceeds, as presented, is consistent with those covenants. It is recommended that up to \$100,000 in taxable bond proceeds (2007 Series C) from the Adelante Eastside Project Area be appropriated for the purposes revised from the original Motion.

### **FISCAL IMPACT STATEMENT**

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from two transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said Transfers have been deposited with the Office of the Controller.



JAN PERRY  
General Manager

JP:SH:DH:MMS:AAC

ATTACHMENT: Motion (Huizar –Harris-Dawson) C. F. 11-1174-S33

## MOTION

On December 16, 2014 (C.F. 14-0425), the City Council authorized the Mayor, or designee, to execute Option Agreements related to the transfer of 10 real property interests held by CRA/LA, A Designated Local Authority ("CRA/LA") classified as "Property Retained for Future Development" ("Future Development") under the Long Range Property Management Plan approved by the State Department of Finance. CRA/LA is the successor agency to the former Community Redevelopment Agency of the City of Los Angeles. AB1484 affords an opportunity for successor agencies to retain certain assets for future development to fulfill redevelopment objectives within the redevelopment plans and five-year implementation plans. CRA/LA does not have the capacity to carry out new development activity so the City has been provided the opportunity to take on this effort. The Option Agreements allow the City to market and develop the 10 Future Development sites in a manner that is consistent with the redevelopment objectives and best serves the needs of the City and affected taxing entities. Most of the Option Agreements were fully executed on January 9, 2015, and eight of the properties are now under the control of the City. Two properties were returned to the CRA/LA due to the City's inability to exercise the Option.


Among the eight Future Development sites is real property located at 110 South Boyle Avenue (APN 5174-018-900). The site, commonly referred to as "First & Boyle," is a Transit-Oriented Development (TOD) site located in the Adelante Eastside Redevelopment Project Area. It is comprised of a single parcel of approximately 14,600 square feet of vacant, unimproved land that is fenced off. The highly visible property is classified as a TOD site for its proximity to the Mariachi Plaza Metro Gold Line Station. As such, the site has been proposed for a mixed-use development with housing but further environmental studies are needed to determine the feasibility of developing the property for this purpose.

In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval. The use of taxable CRA/LA Excess Bond Proceeds towards environmental studies needed to facilitate future development of the First & Boyle site is identified as an eligible expense in the Bond Expenditure Agreement and Bond Spending Plan.

I THEREFORE MOVE that taxable CRA/LA Excess Bond Proceeds available to Council District 14 in an amount not to exceed \$100,000 from the Adelante Eastside Redevelopment Project Area be utilized by the Bureau of Engineering to conduct environmental studies on real property located at located at 110 South Boyle Avenue (APN 5174-018-900) for the purpose of facilitating the future development of the property in accordance with the City Option Agreement (C-125181).

I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Bureau of Engineering, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate taxable CRA/LA Excess Bond Proceeds in an amount not to exceed \$100,000 to conduct environmental studies on real property located at located at 110 South Boyle Avenue (APN 5174-018-900) for the purpose of facilitating the future development of the property in a manner that is consistent with the underlying redevelopment plan and as identified in the Bond Expenditure Agreement and Bond Spending Plan for the Adelante Eastside Redevelopment Project Area.

PRESENTED BY


  
JOSE HUIZAR  
Councilmember, 14<sup>TH</sup> District


  
SECONDED BY

